GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:5755
ANSWERED ON:08.09.2011
FINANCIAL ASSISTANCE TO UNEMPLOYED
Dashmunsi Deepa

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the objective of Khadi and Village Industries Commission for utilizing the local talent and resources has been achieved;

(b) if so, the details thereof;

(c) whether the Government proposes to introduce schemes for providing incentives/assistance to unemployed and semi-employed youths in the rural areas and to give priority in purchase of their goods so as to utilise the locally available talent; and

(d) if so, the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH)

(a) Yes, Madam. The objective of Khadi and Village Industries Commission (KVIC) for utilizing the local talent and resources has been achieved to a large extent.

(b) to (d): The Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing a cluster-based scheme named Scheme of Fund for Regeneration of Traditional Industries (SFURTI) since 2005-06 through the KVIC and Coir Board under which 29 khadi, 50 village industries and 26 coir clusters mostly having more than 500 traditional artisans per cluster, have been targeted for providing them with improved equipments, common facilities centres, business development services, training, capacity building, design and marketing support and arranging exposure visits etc., to make these activities competitive and sustainable. Since the clusters involved are in traditional activities like Khadi, Coir, Pottery, Beekeeping, Handmade paper, Cane and Bamboo etc,. local raw materials and local skills are utilized for generating sustainable employment.Apart from SFURTI, the Government in the Ministry of MSME has been promoting the setting up of micro enterprises in non-farm sector by implementing Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme since 2008-09 with KVIC as national level nodal agency. PMEGP is particularly aimed at generating self-employment opportunities through establishment of micro enterprises by organizing traditional artisans and unemployed youth, helping in preventing their migration, besides increasing their earning capacity. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under PMEGP, beneficiaries can establish micro enterprises by availing margin money subsidy of 25 percent of project cost for units in rural areas to be set up by beneficiaries belonging to general category which will be 35 percent for beneficiaries belonging to special categories such as scheduled caste/scheduled tribe /women and others through the implementing agencies and loans from Banks, etc., for projects costing up to Rs.25 lakh each in the manufacturing sector and upto Rs.10 lakh each in the service sector.

KVIC provides platform for purchases of products from PMEGP units and KVI institutions for supply to government departments on DGS&D rate contract. Marketing support is also provided by KVIC through its departmental as well as institutional outlets. KVIC also organizes exhibitions at different level such as district, state, national and international for providing market to the KVI products produced by the beneficiaries of PMEGP and Institutions.